

Good Morning

My name is Richard Terres. I serve the Howell Public schools as it's Associate Sup't of Finance and Operations. A position I have held for 27 years. In that position I am responsible for the financial well being of the district which includes the constant task of finding savings in our line item expenditures without impacting the classroom. In our "business of education" the single largest costs are those associated with wages and benefits.

Second to that are our utility costs. In fact this year we are anticipating having to pay approximately \$1.1m for electricity in our 11 buildings. 7 of those buildings are on the Choice program. We will spend near \$600k on electric for those facilities. If we were not on the Choice Program, those same buildings would have cost us an additional \$180k. That \$180k along with over \$200k in savings the prior year from the Choice program has allowed us to "reinvest" monies back into the schools. Things such as additional counselors, Dean of Students, and elimination of pay to play for our parents have come, in part, due to these kinds of savings. Savings that were generated because of the competitive options available to us in many of the things we purchase, including energy.

In many ways the expansion of competition in this industry is not much different than what our public schools have experienced over the past many years. We were a monopoly. By law you went to the school district in which you resided. Suddenly competition was introduced by the legislature by way of "schools of choice" and charter schools. We were no longer the "only game in town". We, as public schools were forced to get better. We were forced to become more efficient and competitive. The legislature was basically fostering competition. They were encouraging innovation.

Ironically, some of these same thoughts can be found in H.B. 5184 particularly on page 21 lines 5 through 19.

Choice has been a great option for us. We are not tied to Choice but it allows us to "comparison shop."

In a sense, Choice is the American Way. It's one of those foundation blocks that has made this country so great.